

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: JUAN PABLO CERVENTES AND VERONICA RUELAS
(dba CHECK BY CHECK)
530 New Los Angeles Ave., Suite #208
Moorpark, CA 93021

CITATION
AND
DESIST AND REFRAIN ORDER
(For violations of California Financial Code section 23005 and 23020)

The California Corporations Commissioner finds that:

1. Juan Pablo Cerventes and Veronica Ruelas doing business as Check By Check (“Check By Check”) is and was at all relevant times herein conducting business as individuals with their principal place of business located at 530 New Los Angeles Ave., Suite #208, Moorpark, CA 93021.
2. Pursuant to California Code sections 23005, any person engaged in the business of deferred deposit transactions is required to have a license issued by the Commissioner of Corporation under the California Deferred Deposit Transaction Law.
3. Check By Check engaged in the business of deferred deposit transactions by originating at least 373 deferred deposit transactions totaling \$100,424.14 commencing on or about November 1, 2007 and continuing through May 13, 2008.
4. An examination of Check By Check conducted by the Commissioner on or about May 13, 2008 disclosed that Check By Check was engaging in the business of deferred deposit transactions as an originator at 530 New Los Angeles Ave., Suite #208, Moorpark, CA 93021 from at least November 1, 2007 and continuing through May 13, 2008.

1 5. A deferred deposit transaction is a written transaction whereby one person gives
2 funds to another person upon receipt of a personal check and it is agreed that the personal check
3 shall not be deposited until a later date.

4
5 6. Check By Check had not been issued a license by the Commissioner authorizing it to
6 engage in the business of deferred deposit transactions under the California Deferred Deposit
7 Transaction Law (California Financial Code §§ 23000 et. seq.) at 530 New Los Angeles Ave., Suite
8 #208, Moorpark, CA 93021 during the period from November 1, 2007 through May 13, 2008.

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10 7. Check By Check was not exempt from the licensing requirements of Financial Code
11 section 23005 for the location at 530 New Los Angeles Ave., Suite #208, Moorpark, CA 93021.

12 8. Subsequently, on June 24, 2008, Check By Check was issued a license by the
13 Commissioner of Corporations to engage in the business of deferred deposit transactions under the
14 California Deferred Deposit Transaction Law.

15 By reason of the foregoing, Check By Check engaged in the business of deferred deposit
16 transactions from at least November 1, 2007 through May 13, 2008 without having first obtained a
17 license from the Commissioner in violation of California Financial Code sections 23005.

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19 Pursuant to California Financial Code section 23058, Check By Check is hereby ordered to
20 pay to the Commissioner an administrative penalty in the amount of two thousand five hundred
21 dollars (\$2,500).

22
23 Pursuant to California Financial Code section 23050, Check By Check is hereby ordered to
24 desist and refrain from engaging in the business of deferred deposit transactions in the State of
25 California without first obtaining a license from the Commissioner under the California Deferred
26 Deposit Transaction Law.

This Citation and Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction Law. This Citation and Order shall remain in full force and effect until further order of the Commissioner.

California Financial Code section 23058 provides, in relevant part:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, . . . the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain an order to desist and refrain and an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500)

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing held under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code

California Financial Code section 23050 provides:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

Dated: September 12, 2008
Los Angeles, CA

Preston DuFauchard
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator
California Deferred Deposit Transaction Law